

SB 68 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Jonathan Hart, Economist

Meeting Dates: 3/27

WHAT THE MEASURE DOES:

Provides additional estate tax exemption of \$1.5 million, which is phased out based on value of taxable estate. Applies to estates of decedents who die on or after January 1, 2024. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Since 2012, Oregon estate tax returns are required from resident taxpayers with gross estate value of \$1 million or more, or from nonresidents with real or tangible property in Oregon and gross estate value of \$1 million or more. After deductions including funeral expenses, debt, and bequests to a spouse or charity, \$1 million of taxable estate value is exempt from the Oregon estate tax.

The measure would add an additional \$1.5 million exemption for estates with taxable estate values up to \$4.5 million, and phase the additional exemption amount out based on the value of taxable estate. The additional exemption would be fully phased out for estates with \$8.5 million or more of taxable estate value, though they would still benefit from the existing \$1 million exemption.